



**CHIPPEWA COUNTY  
REQUEST FOR PROPOSALS  
AUDIT SERVICES**

**ISSUED BY: CHIPPEWA COUNTY BOARD OF COMMISSIONERS**

**August 11, 2016**

**Project Representative: Jim German, Administrator  
Chippewa County  
319 Court St.  
Sault Ste. Marie, MI 49783-2194**

**Phone: (906) 635-6330  
Fax: (906) 635-6325**

## **CHIPPEWA COUNTY NOTICE OF RECEIVING PROPOSALS**

Chippewa County seeks proposals from qualified firms, on a competitive basis, for audit services. Qualified firms may secure a copy of the bid specifications at [www.chippewacountymi.gov](http://www.chippewacountymi.gov) or from: Chippewa County Administrator's Office, 319 Court Street, Sault Ste. Marie, MI 49783. Proposals received on or before 12:00 noon Friday, September 2, 2016 will be considered. Chippewa County reserves the right to reject any or all proposals submitted.



# CHIPPEWA COUNTY REQUEST FOR QUOTATIONS

## AUDIT SERVICES

### I. INTRODUCTION

The purpose of this Request for Proposals (RFP) is to provide interested and qualified firms and individuals with sufficient information to enable them to prepare and submit proposals for consideration by the Chippewa County Board of Commissioners as part of its procurement of needed professional/technical services. The selected firm will be expected to provide all required audit services for county government.

- A. Bid Submission and Project Representative. Proposals received on or before 12:00 noon on Friday, September 2, 2016 will be considered. Firms must submit a complete, sealed response to this RFP with two (2) copies to the Issuing Office. One copy of each firm's proposal shall be separately sealed and denoted "Original Proposal Document." Requests for information or interpretation of the intent of the RFP and any/all other inquiries must be addressed to:

Jim German, Administrator  
Chippewa County  
319 Court Street  
Sault Ste. Marie, MI 49783-2194

**The firm shall make no other distribution of proposals.** Each proposal must be plainly marked on the exterior, "Audit Services." An official authorized to bind the firm to its provisions must sign proposals. The proposal must remain valid for at least one hundred twenty (120) days. Chippewa County is not liable for any cost incurred by the firm prior to the issuance of a contract.

- B. Right of Refusal. Chippewa County reserves the right to reject any or all proposals, to negotiate separately with any source whatsoever in any manner necessary to attend to the best interests of the County, to waive irregularities in any proposal and to accept a proposal which best meets the needs of the County, irrespective of the bid price.
- C. Disclosure of Proposals. Proposals are subject to disclosure under the Michigan Freedom of Information Act (Act 442, P.A. 1976, as amended, being MCL 15.231 through 15.246). After a contract award, a summary of total price information for all proposals will be furnished upon request.
- D. Independent Price Determination. By submitting a proposal you certify, and in the case of a joint proposal, each party certifies as to its own organization, that in connection with this proposal:
1. The prices in its proposal have been determined independently without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other proposing party or with any other competitor;
  2. Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the proposing party and will not be knowingly disclosed to any competitor; and

3. No attempt has been made or will be made by the proposing party to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

E. Pricing Decisions. Each person signing the proposal certifies that:

1. (S)he is the person within the organization responsible for the decision as to prices being offered in the proposal, and that (s)he has not participated, and will not participate, in any action contrary to I.D.1,2 and 3, above; or
2. (S)he is not the person within the organization responsible for the decision as to the prices being offered in the proposal, but that (s)he has been authorized, in writing, to act as an agent for the persons responsible for such decisions in certifying that such persons have not participated, and will not participate, in any action contrary to I.D.1,2 and 3, above; and that (s)he has not participated, and will not participate, in any action contrary to I.D.1,2 and 3, above.

F. Insurance Requirements. The successful vendor will be required to provide and maintain public and professional liability, property damage, and worker's compensation insurance protecting, as they may appear, the interests of all parties to any agreement that may result from this RFP. The vendor is responsible for insuring the protection of all persons and property at all times. The successful bidder prior to contract execution must provide documentation of the above insurance. Chippewa County must be included as a separate named insured.

The vendor will be required to furnish the County with appropriate certificates of insurance prior to commencement of any work associated with any contract.

The effective dates and expiration dates of all policies should coincide with the term of the contract. If any of the insurance expires during the contract period, it will be necessary for a current certificate of insurance to be issued and filed with the Chippewa County Administrator.

Chippewa County's minimum insurance requirements are as follows:

1. Commercial general liability insurance of limits not less than \$1,000,000 per occurrence. The limit may be higher depending upon the hazard involved, subject to review and recommendation of the County's licensed insurance counselor. Coverage is to include, but is not limited to premises, operations, products and/or completed operations, personal injury and contract liability.
2. Automobile liability including statutory no-fault coverage, including all owned, non-owned, and hired autos within limits of a minimum of \$1,000,000. The limit may be higher depending upon the hazard involved, subject to review and recommendation of the County's insurance counselor.
3. Worker's Compensation and Employers' Liability if the selected firm hires one or more persons or currently has employees. If the selected firm does not have any employees, an affidavit must be filed with the County Clerk stating that the firm has no employees and will not hire any while working for Chippewa County as a vendor or a subcontractor, etc. In addition, a Certificate of Assumed Name must be filed with the County Clerk.

Failure to comply with these insurance requirements may result in contract termination or delay in receipt of funds. The vendor will be required to secure any/all necessary certificates and permits from municipal or other public authorities and comply with all licensing requirements and all federal, state and municipal laws, ordinances and regulations as may be required.

- G. County Liability. Officers, agents and employees of Chippewa County will not, in any manner, be liable for any loss or damage to any person or property connected to or resulting from any work done on this project. In addition, the selected firm agrees to indemnify, defend and hold harmless, the County, its officers, agents and employees from any and all claims and losses accruing or resulting from the negligent performance of work as described in any agreement that results from this RFP. These same standards will apply to subcontractors of the selected firm. The County will be relieved from all risks of loss or to equipment or personnel during this engagement, except when such loss or damage is due to the fault or negligence of the County.

## **II. INFORMATION, SPECIFICATIONS AND AUDIT REQUIREMENTS**

- A. County financial records are maintained on a computerized general ledger system. Anderson / Tackman & Company, PLC, of Kinross prepared County audits prior to 2015. It is the intention of Chippewa County to provide year-end trial balances to the successful bidder within one hundred twenty (120) days of the end of the fiscal year being examined. The County will close and balance all funds and accounts and will provide investment, interfund and any other relevant reconciliation.
- B. All bidders are asked to respond completely to the requirements for performing the audit, and the Michigan Department of Treasury F-65 report and SEC disclosure data. Chippewa County desires to enter into a three-year commitment for audit services as a result of this RFP. All proposals must include a "not to exceed" fee for each annual audit.
- C. No additional billings will be allowed for the preparation of the financial statements, additional time to be in compliance with all current and future GASB's, preparation of the F-65, routine questions through-out the year, oral onsite presentation of the Audit report and any report filing required by any State or Federal agency.
- D. In order to permit a complete evaluation of technical ability, proposals must address each of the following:
1. Qualifications of the audit firm
  2. Responsible work record
  3. Compliance with applicable peer review and continuing professional education
  4. Understanding of the requirements of the audit
  5. Training on single audit
  6. Training and updates on current GASB's including GASB 67, GASB 68, GASB 71, GASB 73 and any future GASB pronouncements applicable to Chippewa County and knowledge of application
  7. Scope of services included in the contract, proposed timetable of events
  8. Soundness of technical approach

9. Qualifications of the audit team
  10. Copy of the firm's peer review opinion and letter of comments, if applicable
- E. A list of prior governmental work references is required. Identification of staff that would be assigned to Chippewa County and their qualifications / experience is also required.
- F. Working papers prepared during the audit must be retained for a minimum of three (3) years. Additionally, working papers may be subject to review by authorized representatives of federal, state, or municipal agencies.
- G. The successful bidder will be required to prepare and provide the following:
1. Five (5) hard copies and one electronic copy of the Financial Report, including all accounts and funds. Also included in the Report shall be the notes, tables and transmittal letter of the successful bidder. The format of the Report shall closely compare to the current document dated December 31, 2015. The Report shall include, but not be limited to:
  2. Audit Opinion
  3. Basic financial statements, component units and notes to the financial statements
  4. Additional Information (combined statements, individual statements, revenue/expense, change in fund balance, budget-to-actual comparisons, schedules of indebtedness)
  5. Michigan Department of Treasury's F-65 report file report electronically with LAFD
  6. File the report electronically with the Michigan Department of Treasury, USDA, Department of Community Health, and any other State or Federal awarding agencies
- H. To assure compliance with all current GASB's including GASB 67, GASB 68, GASB 71 and GASB 73 and any other future GASB's, the report format shall be as required by the accounting model. The Report shall include, but not be limited to:
1. Governmental Fund Statements
  2. Proprietary Fund Statements
  3. Fiduciary Fund and Component Unit Statements
  4. Governmental-wide Financial Statements
  5. All other disclosures, reports and notes required by all current GASB's including GASB 67, GASB 68, GASB 71 and GASB 73 and any other future GASB's
- I. A report on compliance according to Federal and State statutes, including requirements of OMB-133 and uniform guidance.
- J. A management letter referencing the weakest areas of the audit (including internal controls), if any, with suggested steps for improvement for all items listed in the management letter.

- K. A supplementary schedule of the County's federal financial assistance programs. This report should show total expenditure by each program, sub recipient payments, compliance in accordance with applicable laws, and an internal control evaluation.
- L. Telephone consultation during the year for various items as needed.
- M. County personnel will complete bookkeeping functions prior to the commencement of the audit, and will prepare or assist in the preparation of the necessary detailed schedules. Personnel will be available during the examination to answer questions and provide assistance. Likewise, the selected firm shall be available to County personnel to answer questions and assist throughout the term of agreement for routine questions without additional cost. Substantial field work must be performed onsite. Electronic records will not be emailed or distributed to the Auditor to allow them to perform fieldwork offsite. Completion of the audit and all working papers shall take place prior to June 3<sup>rd</sup> following the end of the fiscal year.
- N. The proposal of the successful bidder, as mutually modified, amended or supplemented shall become a contractual obligation. Failure of the successful bidder to accept these obligations may result in cancellation of any award.
- O. The County may require an oral presentation with some or all firms who submit a proposal. These meetings provide an opportunity for County representatives to ask questions and for selected firms to clarify their respective proposals. The County will schedule these presentations on a mutually acceptable date.
- P. The selected firm will carry out the project under review of the County Administrator or his designee. The Chippewa County Board of Commissioners shall have final authority over all aspects of the County/contractor agreement and project.
- Q. The selected firm will be required to assume responsibility for all services offered in the proposal whether or not they possess them within their organization. Further, the County will consider the selected firm to be the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the contract.
- R. The County may require an oral on site presentation of the Audit report. This presentation should be included in the not to exceed price.

### **III. BID AWARD**

Selection and awarding of the audit services bid will be based upon evaluation by the County of the criteria listed above.